

Members

Rep. Mae Dickinson, Chairperson
Rep. David Orentlicher
Rep. Vaneta Becker
Rep. David Frizzell
Sen. Patricia Miller
Sen. Greg Server
Sen. Connie Sipes
Sen. Timothy Skinner



FSSA EVALUATION COMMITTEE

Legislative Services Agency
200 West Washington Street, Suite 301
Indianapolis, Indiana 46204-2789
Tel: (317) 233-0696 Fax: (317) 232-2554

LSA Staff:

Karen Firestone, Fiscal Analyst for the Committee
Kathy Norris, Fiscal Analyst for the Committee
K.C. Norwalk, Attorney for the Committee

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MEETING MINUTES¹

Meeting Date: October 22, 2004
Meeting Time: 10:30 A.M.
Meeting Place: State House, 200 W. Washington St.,
Teleconference Room, Government
Center South
Meeting City: Indianapolis, Indiana
Meeting Number: 3

Members Present: Rep. Mae Dickinson, Chairperson; Rep. David Orentlicher; Rep. Vaneta Becker; Sen. Patricia Miller; Sen. Greg Server; Sen. Timothy Skinner.

Members Absent: Rep. David Frizzell; Sen. Connie Sipes.

The third meeting of the FSSA Evaluation Committee was called to order by Rep. Mae Dickinson, Chairperson, at 10:45 A.M.

Ms. Susan Robison, National Conference of State Legislators (NCSL), Consultant for the Human Services Reform Project. (Exhibits 1-5)

Ms. Robison attributed pressures to reorganize human services agencies to new governors desiring clear lines of authority and to budget deficiencies. She reviewed some of the restructuring proposals of the current gubernatorial candidates and what other states had done along similar lines. The cabinet-style structure of the Peak Performance Plan is compared to the organizational structures in 6 other states in Exhibits 2 and 3. In reference to a proposal to create a separate Child Protective Services Agency, she said that no state has created a separate agency with the exception of Texas, which includes adult protective services and child care licensing with child protective services. Other states have chosen to pursue tiered approaches to child protective services. More serious cases receive a more judicious response with increased law enforcement involvement, while the lower risk cases may receive options

¹ Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.ai.org/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

and family services. She commented that in Indiana, the reorganization concern appears to be directed towards clear lines of authority and responsibility, but that there is also a need for greater accountability and a focus on results. That is, Indiana should focus on what needs to be done to ensure that children are healthy and families are better off.

Ms. Robison reviewed recent state reorganization trends. These have tended to be top-down reorganization strategies involving consolidation to streamline administrations by involving fewer layers of bureaucracy and providing clear lines of authority. There has been a continued focus on accountability by looking at performance measures and results. Manageability at the upper levels of the bureaucracy has also received attention. Structural consolidation involving combining agencies and programs with common clients and missions as well as administrative and support services consolidations to eliminate duplication have been common and obvious areas for streamlining. She commented that Indiana already has consolidated administrative functions and program areas to a large degree.

Emerging trends in reorganization of human services agencies involve bottom-up strategies. Ms. Robison stated that citizens do not see the top levels of the organization. If the reorganization involves only the upper management levels, it misses the links to the clients. Bottom-up reorganizations energize the front-line staff and clients, allowing them to take ownership. These efforts involve local input and service delivery integration - one stop system entry. Ms. Robison mentioned that bottom-up strategies take a lot of time and effort, with the goal of changing the way that citizens are involved in the provision of services. Problems with this type of reorganization are that they take a lot of time; from 3 to 5 years. They also require skills that many human services administrators do not necessarily have.

Another emerging reorganization trend, mid-level reorganization strategies, involve coordination and collaborative efforts to look beyond the federal program funding silos. Mid-level reorganization is where cross-program coordination occurs. States have looked at giving local managers more responsibility and flexibility - flexibility to reassign staff and merge funding streams. Along with this increased flexibility comes more responsibility and accountability. Ms. Robison commented that the mid-level manager is where cross-program coordination happens. These are also the managers that may be most fearful or resistant to change.

Evaluation of reorganization efforts is essential, and determining what the desired results should be in advance is a necessary activity. The accomplishments desired should be stated in writing, and the manner in which those accomplishments are to be measured should be identified at the beginning of the process. In Vermont, the legislature established the principals and goals for a reorganization and then directed the agency to reorganize itself. They also established a legislative oversight committee to monitor the process. The oversight committee reviews plans and provides feedback on those plans.

Ms. Robison emphasized that strong leaders are critical at all levels during the reorganization process. The necessary investments in communications and outreach to the consumers and staff, capacity development, training, and information systems mean there will be short-term costs. Savings should be viewed as a long-term goal.
(See also Exhibit 5.)

Committee questions for Ms Robison followed the presentation.

Charles Smith, Secretary, Agency of Human Services, Vermont (Videoconferencing)

Mr. Smith reported that the reorganization process in Vermont started as a legislative initiative in response to the growing cost of human services and the sprawling complexity of the industry providing the services. Vermont Act 45 authorized a framework for the process of

reorganization. (See Exhibit 4.) The Act established goals and principles and specified a three-year time-frame for the process, recognizing that meaningful reorganization is not accomplished overnight. 2003 was to be a year of inquiry; a year spent asking clients, stakeholders, lobbyists, and staff members questions regarding what worked and what did not work and asking for advice and guidance. The Act also established regional and statewide advisory structures and a 12-member legislative oversight committee. The oversight committee was empowered to act on behalf of the legislature. The reorganization activity was allotted a budget of \$80,000, and specific reporting dates were assigned. The reorganization leadership consisted of the top 20 administrative staff that served as the core planning council. A consultant was hired to assist the effort.

Mr. Smith stated that Vermont started the reorganization process with eight departments in the Agency of Human Services. These were the Department of Prevention, Assistance and Health Access, the Department of Developmental and Mental Health Services, the Department of Social and Rehabilitative Services, the Department of Aging and Disabilities, the Department of Health, the Department of Corrections, the Office of Economic Opportunity, and the Office of Child Support. These eight departments have been combined into five departments. (See Exhibit 4.) He used early childhood services as an example. Originally, there were 17 programs for young children located in 6 different departments. Under the reorganization, the majority of the programs were pulled into a division under the Department of Children and Family Services. Common business services, such as training and information technology, were consolidated and centralized. Not all business services were centralized, but enough consolidation was done to allow common planning functions. A final area of the reorganization was addressed by restructuring the leadership in the field. Twelve regional districts were created, to be staffed by regional directors with line responsibility. This role is intended to shift accountability and leadership to the field offices. Mr. Smith commented that pushing more of the leadership role to the regional directors would allow turnover in the agency secretary position to be less of an issue on the front-line staff providing services.

Mr. Smith emphasized that in the reorganization process, a key focus was on efficiency and optimization of the use of tax dollars, but this should be viewed as a long-term goal. The real savings must be considered in terms of the future growth of the client base. Slowing or decreasing the demand trends for social services is where the long-term savings will be achieved. By looking at the long-term goals, resistance to change is also decreased among the people needed to implement the reorganization. Mr. Smith also commented that while the process should be planned to take from 3 to 5 years, once the process starts, it should move quickly in order to maintain momentum. While Vermont has not fully implemented their reorganization, the major pieces are in place after only 18 months.

Committee questions and discussion led to additional comments by Mr. Smith. He stated that providing for staff training is an ongoing issue in the Vermont agency. He also enumerated what he considered to be the major success factors in their process. They are: (1) the reorganization was not about the budget in terms of cutting the funding or the staff; (2) the focus was on how to achieve better outcomes for clients and improving the effectiveness of the services provided; (3) the planning process was very inclusive, and they solicited comments and listened to any input, including anonymous e-mails; (4) they moved fast and did not drag the process out; (5) the reorganization was conducted on a nonpartisan basis - it was not mentioned in the gubernatorial race.

Committee members asked for copies of reports mentioned in Mr. Smith's presentation. (See Exhibits 6 and 7.)

**Ms. Cindy Becker, Deputy Director, Department of Human Services, Oregon
(Videoconferencing)**

Ms. Becker prefaced her comments by stating that social services reorganization is not an easy process. In Oregon, the Department of Human Services is the largest state agency; with 10,000 employees and \$9.4 billion in annual state and federal expenditures. The Department's appropriations constitute one-half of the state's general fund appropriations. The Governor was the impetus behind the 2001 reorganization; the driving issues included ongoing budget pressures and a need to improve service integration for clients.

The Oregon reorganization started with an umbrella agency with eight independent divisions. Ms. Becker commented that in order to receive services, the burden was on the client to access the service. Clients were observed to have up to four different case workers and would visit offices in various locations in order to access needed services. One of the themes of the reorganization was to put the burden of services delivery on the agency and not on the client. Three issues were addressed in the design of the Oregon reorganization: (1) systems, (2) structures, and (3) people. The questions asked were: What are the systems necessary to achieve the goals? Who are the necessary people? Where do they need to be?

Consolidation and standardization of business services, such as human resources, budgeting, finance, and information technology, constituted the first step of the process. Common business functions within the individual agencies were pulled together. Human resources and information technology resources from the eight separate divisions were merged into one single program. Business practices were standardized. As an example, prior to the reorganization, there were eight different travel reimbursement forms in the agency. Ms. Becker commented that the consolidation and standardization had the advantage of allowing staff members to be treated similarly, regardless of the division in which they work. It also opened more job opportunities to them since it made it easier for administrative personnel to move across division lines.

Physically restructuring the field offices so that clients wouldn't have to go to numerous locations to access services was also done. This is commonly referred to as one-stop shopping. Ms. Becker stated that it is a bad idea to attempt to create a generic case manager; the services required by human services clients can be specialized and complex. It is desirable that people sit together in the same office with teams of case managers clustered together to customize needed services for their clients. Ms. Becker added that this is a reason that the creation of a separate child protection agency is not a good idea - these children often need access to a variety of services from different divisions. Intake information systems continue to be a problem in Oregon due to the fact that these systems often were funded by federal program dollars that are "siloed". The funding has not been available to make the systems changes necessary to enable the teams of case managers to view an individual holistically; there are potentially eight different system screens for a client. Indeed, there is even the need to define what "a client" is for systems purposes.

Ms. Becker finally commented that while the team at the top of the organization is important, middle management should not be underestimated or ignored. This is the group that will be most resistant to change. Ms. Becker stated that human services organizations have their own culture that requires slower movement. The front-line workers have a culture that focuses on providing services to their clients. A reorganization at this level requires changing the culture of the work place while business continues to be conducted. She said that good communications is essential to the process. She added that service integration is a method of providing services; it is not an outcome. The desired outcome is safer individuals or increased productivity. In today's economy, caseloads are increasing, while the funds available are decreasing. There is, consequently, a great need to change the way human services are delivered.

Committee questions and discussion followed with regard to how a culture change in middle management might be accomplished; salary and training issues; and the comparability of pay structures to the cost of living in Oregon as compared to Indiana. Ms. Becker stressed the importance of hiring managers. Too often good case workers become managers, a job for which they are not trained. There needs to be a career ladder for case workers. Ms. Becker concluded by stating that changing the human services organization is not pretty and is not fun. People don't like the change process and will be unhappy. But that change is doable.

The videoconference concluded at 12:35 P.M.

Public Testimony

Mr. Paul Preston rose to inform the committee that there had been no action taken by FSSA on his long-running complaint that he had brought to the Committee's attention at the last meeting. After discussion, Rep. Dickinson stated that she would speak to FSSA staff regarding this issue.

Mr. A.G. Clyne, who spoke at the previous meetings regarding his son, commented that there had been some problems encountered in attempting to register his son to vote.

Committee Discussion

The members of the Committee present agreed that the videoconference was very helpful. They asked staff to report on the cost of the videoconference when the information is available. There was discussion on what the next step for the Committee should be.

Adjournment

The meeting was adjourned at 1:30 P.M.